Sr. No. 69

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH**
**AT JAMMU**

**CJ Court**

Case: WP(C)No. 3665/2026

Zaffer Iqbal ..... Petitioner(s)

Through :- Mr. Ethsham Ul Haq, Advocate
Mr. Vishal Singh, Advocate
Ms. Kaynaat Iqbal, Advocate

**v/s**

Jammu and Kashmir Bank Ltd. and Ors. .....Respondent(s)

Through :- Mr. Vipan Gandotra, Advocate with
Mr. Karan Singh, Advocate

**CORAM: HON'BLE THE CHIEF JUSTICE**
**HON'BLE MR. JUSTICE WASIM SADIQ NARGAL, JUDGE**

**ORDER**
**23.11.2026**

**01.** The petitioner's firm, M/s Zaffer Iqbal, is a duly registered sole proprietorship concern, engaged in execution of major civil engineering and infrastructure projects. The petitioner took a loan through the Secured Overdraft (SOD) facility of ₹4.30 crores in the year 2017. Subsequently, he availed a separate Term Loan of ₹22.50 lacs for the purchase of machinery, which was fully repaid. Thereafter, the Account was closed. However, the secured overdraft loan of ₹4.30 crores renewed on 16.04.2024, was classified as Non Performing Asset (NPA) on 14.07.2025.

**02.** Learned counsel for the petitioner submits that he is aware of the constraints of the SARFAESI Act and, therefore, rather than making submissions on merits, submits that an equitable view be taken looking into the *bona fides* for giving the petitioner an opportunity to complete the payment.

**03.** Learned counsel for the petitioner, who is present in person, gives the following undertaking on behalf of the petitioner:-

a) An amount of ₹40.00 lacs in the shape of Demand Draft will be delivered against the outstanding liability today in the Court.
b) An amount of ₹40.00 lacs shall be paid in February, 2027 and thereafter an amount of ₹40.00 lacs shall be paid at the end of every month till the liability against the outstanding loan is exhausted including the interest from the extended period plus charges and cost.
c) He further undertakes that if he defaults on the said proposition, he will not contest the matter on merits and rather allow the SARFAESI law to take its own course for the recovery in question.

**04.** Learned counsel for the respondents opposes the submission made by learned counsel for the petitioner and instead, submits that he has instructions that ₹40.00 lacs be deposited today itself and 25% of the outstanding liability be satisfied by January, 2027. The same shall exclude an amount of ₹40.00 lacs, to be paid today in the Court through Demand Draft. He further submits that as per his instructions, rest of the outstanding liability of 75% has to be paid on or before 31st March, 2027 including charges and cost.

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**05.** Learned counsel for the petitioner submits that to show his bonafides, he was given today's date and he was required to pay ₹1.00 crore, but he was able to pay only ₹40.00 lacs. He being a genuine businessman, fully committed to pay the loan in accordance with the undertaking given above, submits that in case the undertaking given above is not abided at any stage, he shall not pursue the matter on merits, rather allow the SARFAESI Act to take its own course.

**06.** Learned counsel for the petitioner further submits that his client is present in Court today and has given concurrence to the aforesaid undertaking.

However, the instructions issued by the respondents do not permit any relaxation beyond 31st March, 2027.

**07.** At this stage, Demand Draft bearing Cheque Numbers **501364, 501365 and 501366** (ICICI Bank) is handed over to the respondents by the petitioner's counsel in open Court.

**08.** Having regard to the peculiar facts and circumstances of the case, the past record of the petitioner, the persuasive submissions advanced by learned counsel on behalf of the petitioner and the undertaking to be furnished by the petitioner, this Court is persuaded to exercise its extraordinary jurisdiction to a limited extent and, accordingly, deems it appropriate to issue the following directions, in terms of the undertaking furnished by the petitioner.

(i). The petitioner is directed to pay an amount of ₹40.00 lacs in the month of February, 2027 to the respondent-Bank.

(ii) The petitioner is further directed to pay an amount of ₹40.00 lacs at the end of every month, to the respondent-Bank until the complete outstanding liability is discharged including the charges and the interest. It is made clear that on account of the petitioner's default in making the payment in terms of the undertaking so given, the respondent-Bank shall be free to proceed under the SARFAESI Act and recover its money.

**09.** For the foregoing reasons, the instant petition is ***disposed of*** along with connected application(s), if any.

**10.** It is further made clear that no coercive action shall be taken against the petitioner unless he defaults in any of the aforesaid terms and conditions of the undertaking/repayment schedule, as directed by this Court. This order has not been passed on any legal point, but is merely an equitable solution to a bona fide

citizen, while safeguarding the Bank's interest. However, it shall be open to the respondent-Bank to consider any settlement proposal or scheme for the repayment and liquidation of the entire outstanding dues before the expiry of the period granted by this Court.

**(WASIM SADIQ NARGAL)**
**JUDGE**

**(DR. PUSHPENDRA SINGH BHATI)**
**CHIEF JUSTICE**

**JAMMU:**
**23.11.2026**
Shammi

HIGH COURT
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OF JAMMU & KASHMIR AND LADAKH